

“There she stands, proud in all her glory.”

Missouri County Record

Spring 2018



Lawrence County Courthouse, Mt. Vernon, Mo.

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On the cover

Lawrence County

Dennis Weiser

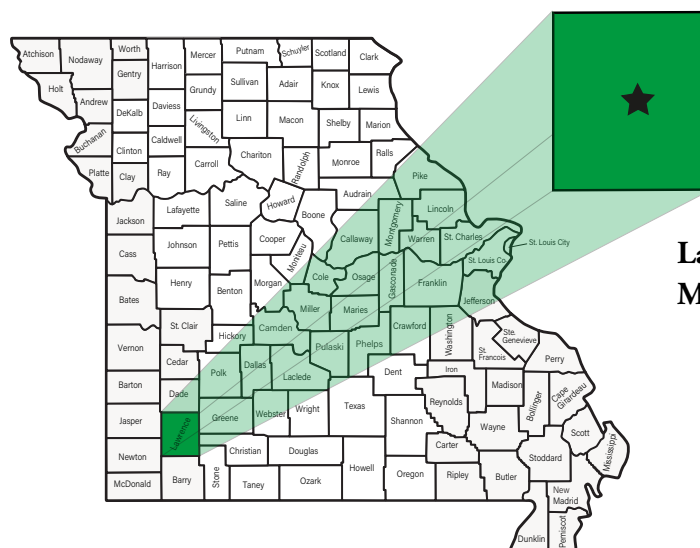
Missouri Courthouses: Building Memories on the Square

In 1846, Lawrence County officials built their first courthouse, a two-story frame building. Seven years later, a replacement courthouse was built, but was destroyed by fire near the end of the 19th century.

In 1900, voters authorized construction of the current courthouse, which was completed in the same year. Before the days of central heating, Lawrence County officials could warm

themselves on the cold winter days in front of fireplaces that were located in the four corners of each floor of the building.

Although the current courthouse never suffered a major fire, such fireplaces in other courthouses were the culprits behind many fires that destroyed several Missouri courthouses in the 19th and 20th centuries.



Lawrence County
Mt. Vernon



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MAC Executive Board for 2018



“As elected county officials, we know our county governments serve the residents of this great state on a daily basis. We hear their issues and see the challenges they face. Like in years past, they look to us to resolve these issues and make their voices heard. MAC gives us that opportunity to come together and advocate in one voice at the Capitol. As president, I hope you will work with me in 2018 to make sure all our voices are heard.”

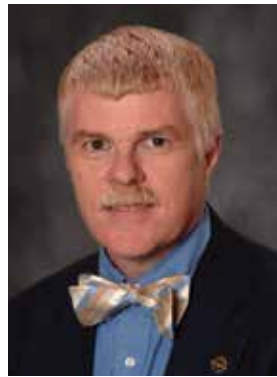
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Transportation task force suggests fuel tax increase



Photo courtesy of the Missouri Department of Transportation

The new Daniel Boone Bridge is seen under construction in the fall of 2014. The new bridge, which was a major project to help alleviate increased congestion, opened in 2015. The original bridge (far left) was demolished in 2016.

After seven months of conducting meetings across Missouri, the 21st Century Missouri Transportation System Task Force recommended raising the state's gasoline and diesel tax to help fund one of the county's largest network of roads and bridges.

"We really do need an immediate impact investment in transportation to move forward, and to really meet a lot of needs that have been arising over many years of neglect in terms of funding," said Rep. Kevin Corlew, R-Kansas City, who chairs the 23-member task force that is made up of state officials, business leaders and a bipartisan group of lawmakers.

In its 87-page report submitted to the governor in January, the task force called for a 10-cent increase in gasoline tax and a 12-cent increase in diesel tax to pay for Missouri's transportation network, citing that the purchasing power of the current fuel tax has not kept up with inflation and has not increased since 1996.

"The same purchasing power that 17

cents had in 1996 is now only eight cents," Corlew said during a press conference in January at the Capitol. "And so, just to keep up with inflation, we need an adjustment."

Corlew noted that the additional revenue would generate around \$430 million annual for Missouri's transportation network. The Missouri Constitution allocates 70 percent of revenues from the fuel tax to the state, while 15 percent goes to cities and the final 15 percent goes to the counties. About \$301 million of the additional revenue raised from a fuel tax increase would go to the state, while \$129 million would go to counties and municipalities at \$64.5 million each.

While the additional funding would give Missouri a "shot in the arm" as it tries to stabilize and plan transportation projects for each year, it is only a drop in the bucket in reducing the annual shortfall of \$825 million in unfunded and unmet transportation priorities. But the task force noted that the additional revenue from a fuel tax increase still accounts for nearly

\$4 billion in new road money over a decade.

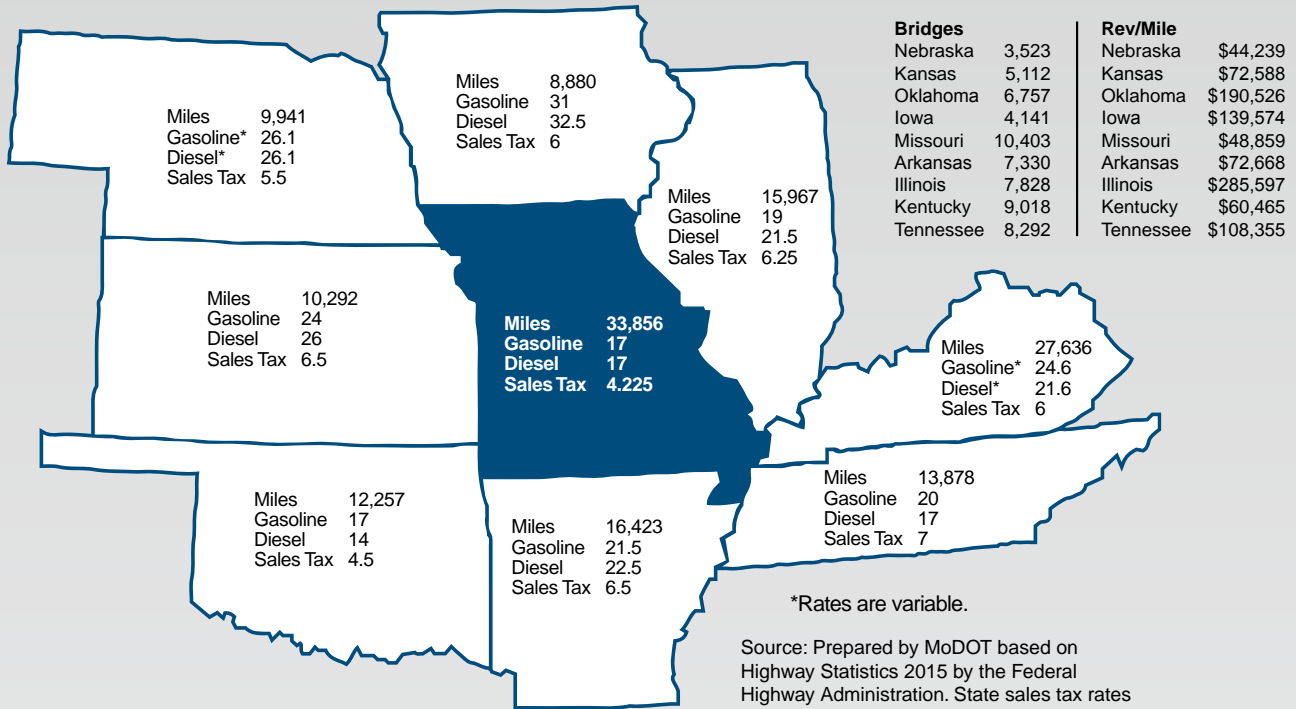
Still, any fuel tax increase above 2 cents in a year will require a vote of the people. The last time Missourians voted to increase the motor fuel tax was in 1987, when a constitutional amendment increased the fuel tax by 4 cents per gallon. In 1992, the legislature passed a motor fuel tax increase for 6 cents per gallon, which was phased in over a five-year period to get the state at its current rate of 17 cents per gallon. Voters rejected a motor fuel tax increase of 4 cents per gallon and a ½ percent sales tax increase in 2002 by a margin of 3-to-1. In 2014, voters turned down Amendment 7, which would have raised the state's sales tax by ¾-cent for 10 years, by a large margin.

However, the task force believes Missourians would support an increase in the fuel tax based on the public testimony that was received at meetings held across the state. Along with recommending a fuel tax increase,

continued on page 6

Missouri Lags Behind

Missouri has a lower fuel tax rate than almost any of its neighbors.
Yet it has a larger state-maintained highway system than any of them.



Gasoline and diesel fuel tax rates are shown in cents per gallon.
Miles are shown in center line miles of the state maintained highway system.

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Terry Merritt

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continued from page 4

the task force also recommended the importance of:

- Building a coalition of business, political, and other leaders to address transportation needs;
- Working with transportation users to define a transportation vision, need or goal; and
- Demonstrating how money will be spent to address local needs or opportunities.

For years, MAC has asked the General Assembly to increase funding to fix Missouri's transportation infrastructure without diverting any new revenue streams to other needs. And after failed votes to increase the motor fuel tax or increase the sales tax for the purposes of transportation funding, lawmakers began looking at other means to fund transportation projects and general maintenance.

Prior to the task force's inception, lawmakers had filed bills looking for ways to give the Missouri Department of Transportation the funding it needed to keep up with the state's vast network. Some lawmakers looked at reducing the miles of roads and highways owned by the state. In previous legislative sessions, bills were filed that would have conveyed a portion of state-owned roads and highways to the county in which those roads and highways existed. However, the task force noted in its report that this proposition, which was discussed at several meetings, "brought to light the increased burden this would place on the counties."

The task force received testimony at its meetings that many counties across the state didn't have the equipment or the expertise to properly maintain the roads or highways that would be transferred to their ownership, especially since there wasn't a sustainable funding source for maintenance. Based on the public testimony and the fact that the local



Photo courtesy of the Missouri Department of Transportation

A freight train rolls through Jefferson City. The 21st Century Missouri Transportation System Task Force recommended implementing a revenue stream dedicated to multimodal transportation.

jurisdictions cannot match the "buying power the state has in procuring materials," the task force chose against reducing the size of the state-owned roads by transferring some roads and highways to the counties.

But that does not mean the issue is over, as the fuel tax increase recommended by the task force needs voter approval. Also several bills filed this year, call for raising the fuel tax in increments, while others call for raising motor vehicle registrations fees. MAC will continue to monitor these issues.

Along with recommending an increase to the gasoline and diesel tax, the task force also recommended that the Legislature devote \$50-70 million in other funds to meet the state's multi-modal transportation needs, which includes aviation, mass transit, railroads and ports along the Missouri and Mississippi Rivers.

To achieve this, the task force recommended that Missouri could close an existing tax loophole that allows retailers to retain 2 percent of the sales and use tax they collect from customers if they remit those taxes to the state in a timely manner. According to the report, the tax credit is uncapped and is the second-most generous in the country, costing Missourians nearly \$115 million in 2016.

The task force also looked at the long-term sustainability and diversification of revenue streams for the future of transportation funding with the emergence and increase of electric, connected and share-use vehicles. The task force recommended raising the registration fees on electric and hybrid vehicles, and changed the vehicle registration schedule from being horsepower-based to being based on a vehicle's miles per gallon. The task force also said that more studies need to be done to consider implementing transportation-revenue options, such as mileage-based road-user charges, indexing fuel with inflation and other new emerging revenue options.

Corlew said he was pleased with the work the task force did over the last seven months and will continue to monitor the process moving forward.

"We worked extraordinarily hard to find a consensus on some of these solutions," Corlew said. "That's why we reached out to Missouri citizens at our meetings and individual members reached out to their communities at home to get the ideas."

"We are fully committed to making sure that we really do move our transportation system forward and work as hard as we can to make sure that these recommendations are put into place."

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U.S. Supreme Court agrees to review sales tax issue

By Jack Peterson

NACo Associate Legislative Director

The U.S. Supreme Court announced in January that it will consider the case of *South Dakota v. Wayfair* and heard arguments on April 17. This case, in which South Dakota is seeking the authority to collect existing sales taxes on purchases made from sellers outside the state, will cause the court to review its 1992 decision in *Quill v. North Dakota*. In *Quill*, the Supreme Court ruled a state or locality cannot collect sales taxes from a vendor unless the vendor has a “physical presence” in the state.

Since 1992, the landscape of commerce has significantly changed. Online sales and marketplaces are increasingly popular, allowing individuals to purchase nearly anything from the comfort of their home. Retailers, however, still use public property – including county roads, bridges and airports – to deliver these goods, most of which is supported by brick and mortar retailers collecting and remitting state and local sales taxes.

If the Supreme Court overturns *Quill*, states and local governments would be allowed to collect existing sales taxes on purchases made within their jurisdiction, even if the vendor is outside the state.

In the 1992 ruling, the Supreme Court noted Congress ultimately has jurisdiction over inter-state commerce. In recent years, Congress has struggled to pass legislation reforming the collection of sales taxes on remote purchases. In 2013, the U.S. Senate easily passed the Marketplace Fairness Act (MFA) (S. 336) on a bipartisan vote. Since then, the issue has stalled in the U.S. House Judiciary Committee on several occasions, as Chairman Bob Goodlatte, R-Va., has rejected the MFA in favor of an approach



The U.S. Supreme Court will hear a case from South Dakota in April that will have huge ramifications on whether states can collect sales tax from online retailers.

maintaining state jurisdiction within its own borders.

Both the MFA and its House companion bill, the Remote Transactions Parity Act (RTPA), have been reintroduced in the 115th Congress (S.976 and H.R. 2193

respectively). Proponents argue these are existing sales taxes that should be collected, not new ones, and that these bills would provide a structured approach to the collection of remote sales taxes across state lines. A ruling by the Supreme Court, on the other

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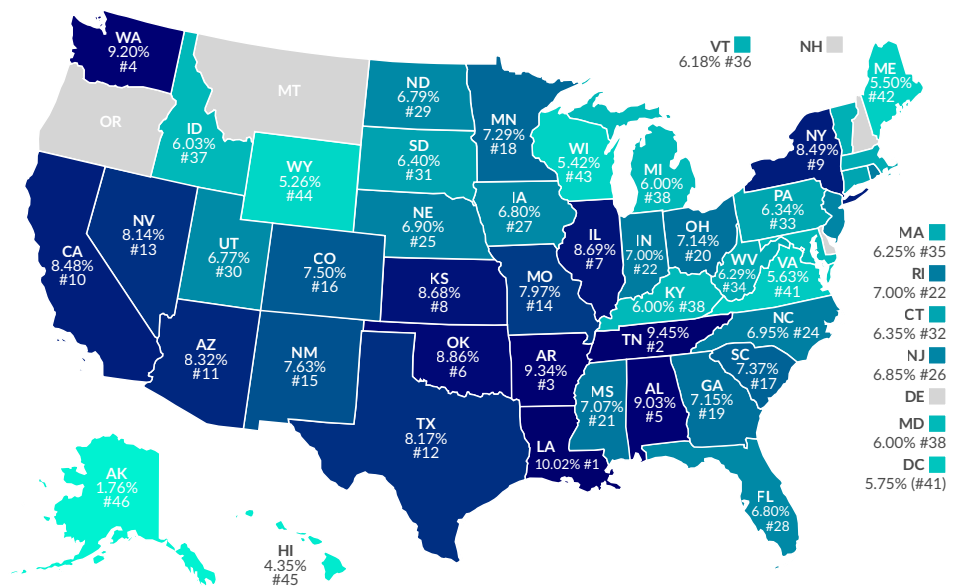
hand, could open the doors to an extreme patchwork of sales tax laws and rates, which would create complicated and costly compliance issues for businesses.

Oral arguments were heard before the court on April 17. The court will likely issue a ruling sometime in June.

NACo supports both the MFA and RTPA and encourages Congress to provide a solution to this issue which grants counties the authority to enforce the collection of already existing sales and use taxes from remote sellers. NACo will continue working with Congress and the administration to pursue a solution that reduces the complexity of state and local sales tax laws, and does not undermine county government taxing authority and revenue streams.

How High Are Sales Taxes in Your State?

Combined State & Average Local Sales Tax Rates, July 1 2017



Note: City, county, and municipal rates vary. These rates are weighted by population to compute an average local tax rate. Three states levy mandatory, statewide, local add-on sales taxes at the state level: California (1%), Utah (1.25%), and Virginia (1%). We include these in their state sales tax. The sales taxes in Hawaii, New Mexico, North Dakota, and South Dakota have broad bases that include many business-to-business services. Due to data limitations, sales taxes in local resort areas in Montana are not included. Salem County, New Jersey is not subject to the statewide sales tax rate and collects a local rate of 3.4375%. New Jersey's average local score is represented as a negative.

Source: Sales Tax Clearinghouse, Tax Foundation calculations, State Revenue Department Websites



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Why the U.S. Supreme Court will likely overrule *Quill*

By Lisa Soronen
SLLC Executive Director

In November 2017, a Government Accountability Office report estimated that states and local governments could “gain from about \$8 billion to about \$13 billion in 2017 if states were given authority to require sales tax collection from all remote sellers.”

Two months later, in January, the Supreme Court agreed to decide *South Dakota v. Wayfair*. In this case South Dakota is asking the Supreme Court to rule that states and local governments may require retailers with no in-state physical presence to collect sales tax.

The decision is huge news for states and local governments. This article describes how we got here and why it is likely South Dakota will win.

In 1967 in *National Bellas Hess v. Department of Revenue of Illinois*, the Supreme Court held that per its Commerce Clause jurisprudence, states and local governments cannot require businesses to collect sales tax unless the business has a physical presence in the state.

Twenty-five years later in *Quill v. North Dakota* (1992), the Supreme Court reaffirmed the physical presence requirement but admitted that “contemporary Commerce Clause jurisprudence might not dictate the same result” as the court had reached in *Bellas Hess*.

Customers buying from remote sellers still owe sales tax but they rarely pay it when the remote seller does not collect it. Congress has the authority to overrule *Bellas Hess* and *Quill* but has thus far not done so.

To improve sales tax collection, Colorado began requiring remote (internet and catalogue) sellers in 2010 to inform Colorado purchasers

annually of their purchases and send the same information to the Colorado Department of Revenue. The Direct Marketing Association sued Colorado in federal court, claiming that the notice and reporting requirements were unconstitutional under *Quill*. The issue the Supreme Court decided in *Direct Marketing Association v. Brohl* (2014), was whether the Tax Injunction Act barred a federal court from deciding this case. The Supreme Court held that it did not.

The State and Local Legal Center (SLLC) filed an amicus brief in *Direct Marketing Association v. Brohl* describing the devastating economic impact of *Quill* on states and local governments. Justice Anthony Kennedy wrote a concurring opinion stating that the “legal system should find an appropriate case for this court to re-examine *Quill*.” Justice Kennedy criticized *Quill* for many of the same reasons the SLLC stated in its amicus brief. Specifically, internet sales have

risen astronomically since 1992 and states and local governments have been unable to collect most taxes due on sales from out-of-state vendors.

Following the Kennedy opinion, a number of state legislatures passed laws requiring remote vendors to collect sales tax, in clear violation of *Quill*. South Dakota’s law was the first ready for Supreme Court review.

In September 2017, South Dakota’s highest state court ruled that the South Dakota law was unconstitutional because it clearly violates *Quill* and it is up to the U.S. Supreme Court to overrule *Quill*. In October, South Dakota petitioned the Supreme Court to hear its case and overrule *Quill*. The SLLC filed an amicus brief supporting South Dakota’s petition. The Supreme Court ultimately agreed to decide the case.

It seems likely the Supreme Court will rule in favor of South Dakota and overturn *Quill* for a number of reasons. It is unlikely the Supreme Court

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accepted this case to congratulate the South Dakota Supreme Court on correctly ruling that South Dakota's law is unconstitutional. Said another way, if the Supreme Court wanted to leave the *Quill* rule in place it probably would have simply refused to hear *South Dakota v. Wayfair*.

It is easy to count at least three votes in favor of South Dakota in this case. First, Justice Kennedy of course. Second, Justice Clarence Thomas. While he voted against North Dakota in *Quill*, he has since entirely rejected the concept of the dormant Commerce Clause, on which the *Quill* decision rests. Third, Justice Neil Gorsuch. The 10th Circuit ultimately decided *Direct Marketing Association v. Brohl* ruling that Colorado's notice and reporting law didn't violate *Quill*. Then-Judge Gorsuch wrote a concurring opinion strongly implying that, given the opportunity, the Supreme Court should overrule *Quill*.

That said, the Supreme Court, and the Roberts court in particular, is generally reticent about overturning precedent, as the *Quill* decision illustrates. The Supreme Court looks at five factors in determining whether to overrule a case. One factor is whether a rule has proven "unworkable" and/or "outdated ... after being 'tested by experience.'" This factor weighs strongly in favor of overturning *Quill*. As Justice Kennedy pointed out in *Direct Marketing Association v. Brohl*: "When the Court decided *Quill*, mail order sales in the United States totaled \$180 billion. But in 1992, the internet was in its infancy. By 2008, e-commerce sales alone totaled \$3.16 trillion per year."

NACo is a founder, a funder and a board member of the State and Local Legal Center (SLLC), in Washington, D.C. The center extends NACo's advocacy on behalf of counties to the highest court in the land.

This article was featured in the NACo County News in January 2018.



Photo courtesy of the U.S. Supreme Court

U.S. Supreme Court Justices are (front row, from left): Ruth Bader Ginsburg, Anthony M. Kennedy, John G. Roberts, Clarence Thomas and Stephen Breyer. Back row: Elena Kagan, Samuel Alito Jr., Sonia Sotomayor and Neil Gorsuch.

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Photo courtesy of Tim Bommel, House photographer

Judge Joe Don McGaugh, associate circuit judge of Carroll County, administers the oath of office to his mother, Rep. Peggy McGaugh, on Feb. 26 at the Capitol in Jefferson City.

Ready for her new role in the House

For 32 years, Peggy McGaugh has worked tirelessly for the citizens of Carroll County, serving in the County Clerk's Office since 1982 before becoming the Carroll County Clerk after being elected in November 1994.

Now she's ready for a bigger challenge.

The former Carroll County Clerk and former president of the Missouri Association of Counties (MAC) was sworn in on Feb. 26 as the State Representative for the 39th District shortly after the day's session began. She was elected during a special election after her son, Joe Don McGaugh, resigned his seat in the House when Gov. Eric Greitens appointed him to serve as the Associate Circuit Judge for Carroll County.

It's an important moment for any elected official when they are sworn

into office, especially one that is located on a bigger stage. Peggy's moment was made even more special when her son, Joe Don, administered the oath of office.

"The McGaugh's have received such overwhelming support from the community over the years," Peggy said. "I have to say this was the pinnacle of fulfilled moments when I, as County Clerk, gave my son the oath to be the Associate Judge and for him to be able to turn around a few months later and do the same for me as his replacement as Missouri State Representative."

Peggy also said her 84-year-old mother was present at both ceremonies, making those events even more memorable.

She decided to run for higher office because she knows the needs of her

district, which includes Carroll, Chariton and Ray Counties.

"The 39th District is very rural and has different needs from larger urban areas. I ran to make sure there was a strong voice in Jefferson City for my district and similar rural counties concerns. I knew I could do the job with a minimum amount of on the job training, so to speak, and be able to assume a position on committees and get right to the work at hand."

Peggy's years as a public servant and her time as a member of MAC, including serving on the MAC board for the past 15 years and a term as president in 2009, has prepared her well for her new role. Peggy currently serves on the Elections and Elected Officials Committee and the Local Government Committee.

“Being involved in MAC was one of the most rewarding aspects of my former position as Carroll County Clerk,” she said. “Always willing to learn, I jumped in with exuberance in 1995 to learn the ins and outs of the legislature making many mentors and friends along the way... Working with Dick Burke and the MAC staff has been such a pleasure and valuable experience and one that made my decision to run for State Representative much easier.”

Peggy got right to work in her new role as State Representative. Within days of taking the oath of office, she was picked to serve on the House Local Government Committee and the House Elections and Elected Officials Committee, where her experience as a former county official and MAC member will serve her well. And although Peggy is now in a bigger role, she’s not forgetting those who helped her get there.

“I feel such an honor to be the voice

and vote of the people in my district,” Peggy said. “These are my friends and neighbors who trust that I will carry their interests and issues to the Capitol and be part of the decision-making

process to make a difference for them, as well as the State of Missouri. To have earned that respect is very humbling to me.”

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Chief Justice praises justice reinvestment, calls for more drug courts

Photo courtesy of Tim Bommel, House photographer

Chief Justice Zel Fischer, seen at the dais, receives applause during his State of the Judiciary address to members of the House and Senate in January at the Capitol in Jefferson City.

Chief Justice Zel Fischer of the Missouri Supreme Court addressed several issues in front of the General Assembly during his first State of the Judiciary address in January.

Fischer, who was appointed to the Supreme Court by Gov. Matt Blunt in 2008, told legislators in a joint session that Missouri's criminal justice system has problems but that the Supreme Court, along with others in government, are working to find solutions.

"Missouri continues to face challenges in its criminal justice system," Fischer said. "While, nationally, violent crimes are decreasing, it is not true for Missouri. As a result, we are spending more on corrections than ever before. Our total incarceration rate remains well above the national average and is growing."

Despite the increase in violent crime and the rising incarceration rate, he told legislators that the Missouri Supreme Court has been working to remedy the problems. As a member of the Justice Reinvestment Task

Force, which was formed by Gov. Eric Greitens' executive order in June 2017, the Missouri Supreme worked with others, including Audrain Presiding Commissioner and MAC Treasurer Steve Hobbs, to look into keeping corrections spending down and reinvesting those savings back into evidence-based strategies to reduce recidivism and enhance public safety.

During his speech, Fischer praised the work of the task force and the recommendations it made to correct the problems in Missouri's criminal justice system.

"With representatives of all three branches of government working hand-in-hand, members engaged in months of study and finished their recommendations last month," Fischer said. "The task force is developing legislative options for you to consider. We are optimistic these changes will produce significant, sensible and meaningful improvements."

The Justice Reinvestment Task Force recommended investing \$189 million over a five-year period starting in FY

2019 that would potentially stem the tide of the rising inmate population and save the state from building two new prisons at a cost of nearly \$485 million. A large part of that recommendation was to strengthen community access for individuals with mental health and substance use issues. The task force recommended \$32.3 million be put into the first year of its five-year proposal. But Gov. Greitens only proposed \$5 million toward justice reinvestment when he proposed his state budget. Sen. Caleb Rowden and Rep. Shamed Dogan have also filed bills that deal with justice reinvestment that MAC is following closely.

Still, most of that \$5 million will go toward community-based treatment, and while the governor didn't propose the full amount recommended by the task force, Missouri Department of Corrections Director Anne Precythe knows it's a start.

"You have to pick and choose priorities, and I think community-

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based services for the offender population is really where we're going to get a good bang for the buck to start off with," Precythe said during a House appropriations subcommittee in January.

Fischer also knows the importance of community-based treatment and how Missouri's drug courts will help to address the opioid crisis that is plaguing Missouri and the nation.

"To grapple with this terrible epidemic, Missouri's treatment courts feature multidisciplinary teams offering a two-fold solution," Fischer said. "First, they are addressing the crimes that often are due to substance use; and second, they are helping those who are addicted, and their families, improve their lives and break the cycle of addiction. We have already seen a steady increase in the number of participants entering our treatment courts who say their drug of choice is

"We will work with you over the coming months to expand the reach of treatment courts in hopes of making this resource-saving, life-saving program available in every Missouri jurisdiction."

heroin or other opioids.

"If we are to break the cycle of drugs and crime, every Missourian in need should have a treatment court program within reach."

While Fischer touted the success of Missouri's treatment courts, he did note that the treatment courts only serve a small percentage of Missourians due to budget restrictions and lack of access in some circuits. In fact, courts representing Caldwell, Carroll, Carter, Clinton, Dallas, Daviess, DeKalb, Hickory, Howard, Livingston, Monroe, Oregon, Pemiscot, Polk and Shannon counties do not have drug courts.

"Research demonstrates treatment

courts are more cost-effective than any other criminal justice strategy," Fischer said. "But our treatment courts have been able to serve only a small percentage of individuals facing felony drug charges. Those numbers began to drop even more last July, when the 27 percent core reduction to existing programs took effect. Since then, admission into our various treatment court programs has dropped an average of 23 percent. And right now, there are 15 counties with no access to any type of treatment court. Individuals addicted to opioids and other substances in these areas are restrained by county lines they can't see.

"We will work with you over the coming months to expand the reach

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of treatment courts in hopes of making this resource-saving, life-saving program available in every Missouri jurisdiction.”

Fischer also spoke about the Criminal Justice Task Force, which is working to recommend evidence-based, risk-assessment tools for determining if a defendant is suitable for pre-trial release. The Criminal Justice Task Force, which was established by the Missouri Supreme Court, will also look to make recommendations on ways to improve the imposition of fines, fees and costs as part of a broader national movement away from bail release decisions.

“The national experts suggest there are ways to provide effective screening and supervision to monitor those defendants deemed safe for release during the pretrial period,” Fischer said. “It seems obvious and important that – before a trial is held and guilt or innocence is determined – we reserve our jail space for those who pose the most danger to the community or risk of fleeing the jurisdiction, and not those who simply may be too poor to post bail.

“Studies show even short stints in jail increase the likelihood of missing school or losing jobs and housing. And, of course, pretrial supervision costs a local community substantially less than pretrial incarceration.”

Fischer told lawmakers that he will

be leading a team to a pretrial justice reform summit in May in Indianapolis where his team will learn about national reforms before beginning to develop of plan of action for Missouri.

Before wrapping up his address, Fischer did speak about the upcoming realignment study the judicial branch will undertake. As part of House bills 374 and 434 that were signed by Gov. Jay Nixon in 2013, a judicial conference — made up of court officials — will have to submit a realignment plan that may alter the boundaries and jurisdictions of Missouri’s judicial circuit courts. The study and plan will have to be

submitted to the General Assembly in 2020, and Fischer said that this study gives the judiciary the chance to evaluate court operations and any factors that may impact operations, such as workload, population, technology, treatment and other problem-solving courts and access to courts, by using data.

“The evaluation of these factors will be critical in determining what, if any, changes in circuit boundaries and jurisdiction would enhance the efficiency and effectiveness of our courts,” Fischer said. “This evaluation is also necessary to help us understand the costs associated with any changes.”



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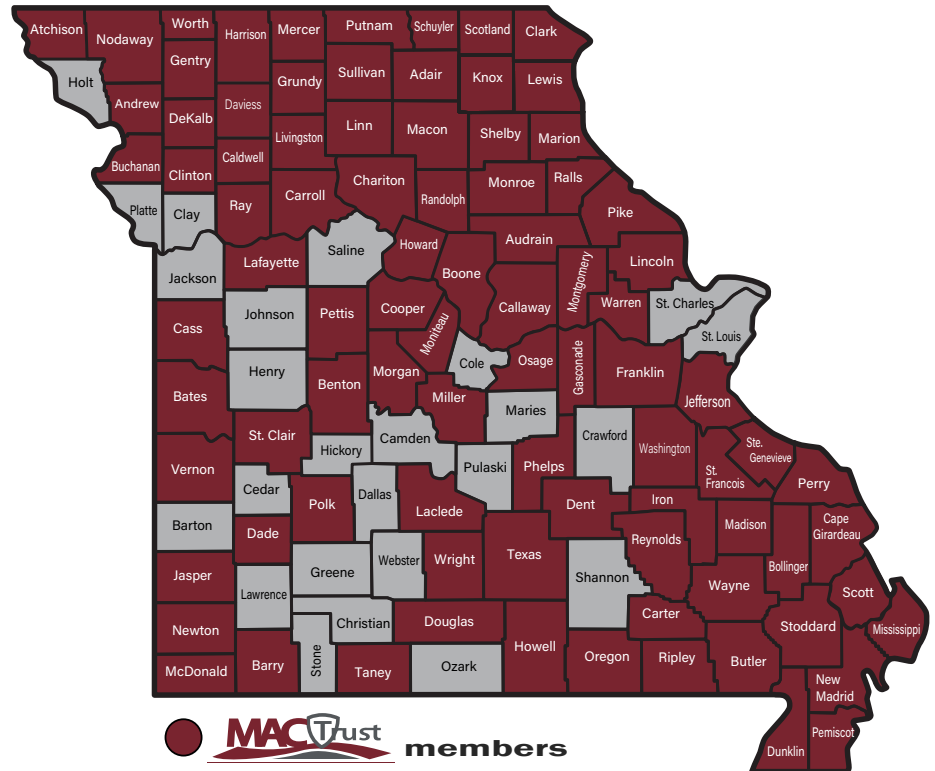
MAC Trust welcomes two new members

Ray and Andrew Counties became new members in the MAC Trust on April 1. Membership in the Trust currently stands at 89 of 114 Missouri counties.

The MAC Trust was created to provide a service tailor-made for the needs of counties that would save millions of dollars in premiums, compared to the cost for similar workers' comp coverage on the commercial market, as well as to provide revenue to the association so there would not be a need to increase member service fees.

Membership in the Trust is open to counties which are members of the Missouri Association of Counties, to cities located within those counties, and other governmental entities established by MAC member counties whose employees have the same status as county employees for the purposes of workers' compensation. The Trust is governed by a five-member board of directors, all of whom are county officials. They are elected to serve three-year staggered terms by a majority vote of the fund members at the MAC fall annual meeting.

The Trust started in 1987 when MAC formed its Workers' Compensation Fund. In 2010, the fund changed its name to MAC Trust from the Missouri Association of Counties Workers'



Compensation Fund.

The board is continually looking for ways to improve and facilitate the workers' comp needs of its members. The most recent program enhancement is the optional NURSENOW claim reporting method. The 24/7 call-in service was launched with afterhours and weekend employees in mind, but can be used by any worker provided the county has approved utilization of the service. Calls are triaged by a

registered nurse who can offer prompt medical direction to an injured worker, making it ideal for use immediately following a non-life-threatening emergency. For more information about NURSENOW, contact Julie Weir at 866-825-9800. Claims can also be filed by fax or online by setting up an online account with CCMST's Tom Dressler, who can be reached at 314-418-5515 or at tdressler@ccmsi.com.

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County priorities fare well in spending measure bill

After months of debate and nearly a half-dozen extensions, Congress passed, and President Trump signed a final \$1.3 trillion spending bill for FY 2018. The appropriations in the omnibus bill — a combination of \$692 billion in defense funding and \$591 in non-defense funding — represents the highest level of funding for the federal government since FY 2011.

Although this increase in federal spending will benefit counties on several fronts, it will likely push the federal deficit past \$1 trillion by next year, hitting that dubious milestone for the first time since 2012. The FY 2018 omnibus spending package features several significant victories for county governments. Highlights include:

Public lands programs reauthorized and funded

The Payments in Lieu of Taxes (PILT) program was fully funded at \$530 million, \$65 million above FY 2017. Counties cannot collect property taxes on federal land, but must still provide essential services for residents and those who visit public lands each year. PILT helps offset the cost of these services, which include road and bridge maintenance, law enforcement, search and rescue, emergency medical and fire protection, solid waste disposal and environmental compliance. In addition to PILT funding, counties scored a major victory with the reauthorization of the Secure Rural Schools (SRS) program for FY 2017 and 2018, particularly after the program expired in 2015. Those payments benefit 720 federal forest counties and 9 million school children by making up for lost timber revenues.

Infrastructure gets a big boost

Speaking of infrastructure, the FY 2018 bill laid out \$10 billion in new infrastructure investments, a funding boost agreed to by lawmakers during budget discussions earlier this year. The

bulk of this money is directed to the Department of Transportation (DOT) through the Capital Investment Grants program (\$2.6 billion), discretionary highway funding (\$2.5 billion), TIGER grants (\$1 billion) and the Highway Trust Fund (\$1 billion). However, appropriators also used this funding to supplement several programs outside DOT, including the Community Development Block Grant, water and wastewater grants and loans, a new rural broadband program and the EPA's clean water and drinking water revolving funds.

Disaster relief efforts get major lift

Under the FY 2018 omnibus, the FEMA's Disaster Relief Fund received \$8 billion in new funds, of which \$7.3 billion is designated for relief from major disasters. The fund is the primary funding source for federal disaster response and recovery. This new funding follows more than \$100 billion additional funds which were appropriated over the last several months following the major hurricanes and wildfires of 2017. Unlike most other federal programs that support states and localities, the Disaster Relief Fund is a "no-year" account, meaning that unused funds left over from previous years are carried over to the next fiscal year. FEMA's National Pre-Disaster Mitigation Fund also received \$249 million in FY 2018, a major increase of \$149 million over FY 2017. This fund helps to mitigate risks, reduce damage from future disasters and lower flood insurance premiums for homes and businesses.

Funding for opioid epidemic

The FY 2018 funding bill approved \$2 billion in new funding to stem the tide of the opioid epidemic. This included \$350 million for the Center for Disease Control to advance the understanding of the opioid overdose epidemic and scale

up states' prevention activities. It also included \$1 billion for Opioid State Target Response Grants. Although a percentage of these funds are allocated to states with the highest mortality rates due to opioid use disorders, no state will receive less than \$4 million. Also of importance to counties, a new Rural Communities Opioid Response program is funded at \$130 million with the explicit aim of reaching hard-hit rural communities across America.

Election security upgrades a priority

Finally, the FY 2018 omnibus included \$380 million in grant funding to states for "election security improvements," including enhancing election technology and increasing election cyber security. This funding comes from remaining Help America Vote Act funds, and the bill grants authority to distribute these funds to the Election Assistance Commission (EAC) — an independent, bipartisan commission charged with developing guidance to help jurisdictions meet requirements established under the Help America Vote Act of 1992. The EAC has until the week of May 7, 2018 to distribute these funds.

Numerous other county programs were funded in the FY 2018 omnibus bill. As the 2018 election cycle approaches, Congress will be less likely to pass other major pieces of legislation, and many anticipate this will be the final large bill passed before November.

However, a few outstanding issues remain, including government appropriations for FY 2019 (which begins on Oct. 1, 2018) and reauthorizations of the National Flood Insurance Program and the Federal Aviation Administration, which expire on July 31, 2018 and Sept. 30, 2018, respectively.

This article was recently published in the NACo County News.

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Family, law enforcement officials honor fallen officer

Missouri Department of Public Safety

Relatives and law enforcement officials traveled in the fall of 2017 to a remote area of Jefferson County to a recently discovered grave to honor an officer killed in the line of duty 146 years ago. Relatives of Washington County Constable Samuel T. Herrington traveled from as far as North Carolina to join the sheriffs of Jefferson and Washington counties, the director of the Missouri Department of Public Safety and more than 100 others for the ceremony honoring their ancestor.

Herrington died at age 32 on Oct. 4, 1871, leaving behind a wife and three young sons. His death is among the 30 earliest Missouri law enforcement line-of-duty deaths commemorated on Missouri Law Enforcement Memorial in Jefferson City. Herrington is also honored on the National Law Enforcement Memorial in Washington, D.C. But the exact location of Herrington's grave was a mystery until May, when it was discovered by historical grave hunter Tim Ogle. Ogle is a member of three historical organizations – the Jefferson County Heritage and Historical Society, the Franklin County Cemetery Society and the O'Fallon, Ill., Historical Society.

Ogle restored the gravestone, which had broken into three pieces and



Photo courtesy of the Missouri Department of Public Safety

Law enforcement officials speak during an event in the fall of 2017 honoring Constable Samuel T. Herrington, who was killed in the line of duty in 1871. Herrington's grave was discovered by Tim Ogle in May 2017.

was discovered buried under several inches of soil on property owned by the Hellenic-American Progressive League in a remote rural area of Jefferson County, near Cedar Hill. Together, Ogle and league members restored the old cemetery site and cleared brush to allow access to vehicles for today's ceremony, which was attended by many family members, law enforcement officers and local history buffs.

"We can't thank Tim Ogle for the hard work that he did finding and restoring Deputy Constable Herrington's grave and making this event possible for Herrington's descendants," Department of Public Safety Director Drew Juden said. "It's important that we remember every fallen law enforcement officer and honor each of their families. That's why it was an honor to be with the family."

"Samuel Herrington risked and lost



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his life in an effort to protect his fellow citizens and bring law-breakers to justice,” Jefferson County Sheriff Dave Marshak said. “It was an honor to be with the family and take part in today’s ceremony.”

“Today, we make a vow to support the families of our fallen comrades and never forget the contributions they made to raising the level of public safety,” Washington County Sheriff Zach Jacobsen said. “I think it’s essential that Samuel Herrington not be forgotten.”

Some of Herrington’s descendants still live in Washington County and were at today’s ceremony, along with others who trekked from North Carolina for the ceremony. Nancy Harrington-Patterson, who is Herrington’s great-great-granddaughter and lives in Washington County, said, “We thank everyone, starting with Tim Ogle and the Hellenic Society, who worked so hard to help tell this story and recognize and honor our ancestor,

Constable Samuel T. Herrington.”

Her brother, Mark Harrington of St. Francois County, said “Thank you, also, to Gov. Greitens for recognizing Constable Herrington and for proclaiming today as Constable Samuel T. Herrington Day.”

According to the records of the Missouri Law Enforcement Memorial, Herrington was stabbed to death as he responded to reports of a brawl in a saloon in Irondale, in Washington County.

The ceremony included the presentation of colors by the Jefferson County Sheriff’s Office, an unveiling of the restored headstone, a presentation of grave medallions from the Jefferson County Sheriff’s Office, Missouri Fraternal Order of Police and Missouri Department of Public Safety, a 21-gun salute, taps and a proclamation from Gov. Eric Greitens, who proclaimed Oct. 4 as Constable Samuel T. Herrington Day.



Constable Samuel T. Herrington

The proclamation reads in part, “it is fitting and proper that we express our gratitude for the dedicated service and courageous deeds of Constable Herrington for the contributions he made to the security and well-being of the people that he served.”



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Airbnb reaches tax agreement with Missouri

Airbnb, the world's leading community driven hospitality company, announced in January a historic tax agreement with the Missouri Department of Revenue that allows the company to collect and remit state taxes on behalf of its 6,300 Missouri hosts.

With the tax agreement in place, the state will be able to fully capitalize on more people visiting Missouri and staying longer through home sharing. On Feb. 1, Airbnb began automatically collecting and remitting the state sales tax (about 4.2 percent) as well as a variety of local taxes on all Airbnb bookings in Missouri. Airbnb recently reported that it remitted more than \$306,000 in state taxes in its first month under the new agreement.

The tax agreement accounts for a broad array of taxes assessed by the State Department of Revenue, including state and many county and municipal taxes:

- Missouri Sales Tax: 4.225 percent
- City Sales Tax: 0.25 – 1.375 percent
- County Sales Tax: 0.25 – 0.5 percent
- Additional County Sales Tax: 0.125 – 0.5 percent
- Tourism Tax to Maintain Quality of Water: 0.25 percent



- Promotional Tourism Tax: 0.5 – 5 percent
- Local Sales Tax: 1 percent

Based on the state sales tax alone, if Airbnb bookings to Missouri were to replicate that of the last months of 2017, it would mean \$1.1 million in revenue to the state.

“Home sharing is introducing a whole new world of travelers to the authenticity of Missouri while offering new economic opportunities for thousands of middle class Missourians,” said Laura Spanjian, Midwest policy director for Airbnb, in a press release.

“We are so proud to have collaborated on this agreement, and we believe this can serve as a model for other states. We are dedicated to finalizing additional

agreements to collect and remit taxes with Missouri municipalities.”

While Airbnb has partnered with about 350 of local governments throughout the U.S. to collect and remit taxes — including neighboring states like Iowa, Kansas, Illinois, Kentucky and Arkansas — this marks the company's first tax agreement within Missouri. This agreement with Missouri DOR covers taxes assessed by the state, meaning any cities or counties with its own separately assessed taxes will require its own agreements with Airbnb. Columbia — with the support of Airbnb — is



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currently moving towards amending its law to allow short-term rentals to be taxed. Additionally, Airbnb has also encouraged Kansas City to consider updating its law so as to allow for the taxation of short-term rentals.

The agreement comes at a time of dynamic home sharing growth within Missouri. Airbnb recently announced that its Missouri host community earned \$28.9 million in supplemental income in 2017, while welcoming 289,000 guest arrivals to the state.

Home sharing has impacted a wide spectrum of Missouri's communities. Airbnb hosts significantly expanded lodging capacity during the 2017 Eclipse as hotels in cities like St. Louis that were along the path of totality completely sold out. Airbnb provided additional, affordable lodging options for college parents during university commencement weekends in cities like Columbia and Kansas City. However,

home sharing growth has also helped open up Missouri's less traditionally touristy communities to the economic benefits of travel — rural areas of Missouri saw some of the fastest Airbnb guest growth of any state in the nation.

And Missouri hotel revenue and prices continue to grow — in parallel to Airbnb's growth. This suggests that Airbnb is opening up the state to a new slice of prospective tourists by catering to travelers less able to afford hotels, those who desire to stay in neighborhoods or cities that lack hotels, and families who prefer to be together under one roof.

Airbnb welcomes the opportunity to secure tax agreements with additional Missouri taxing jurisdictions that assess its taxes independently. Local governments should contact the company at taxagreements@airbnb.com to discuss further.

Below is a city-by-city overview of the top 30 home sharing markets in Missouri from 2017:

City	Total 2017 Guest Arrivals	Total 2017 Host Income
St. Louis	88,500	\$9.14 million
Kansas City	75,240	\$7.7 million
Branson	23,950	\$2.24 million
Columbia	11,140	\$1.1 million
Springfield	8,140	\$749,000
Osage Beach	5,580	\$594,000
University City	4,900	\$415,000
Lake Ozark	4,450	\$565,000
Hermann	3,020	\$294,000
Grandview	2,030	\$160,000
Richmond Heights	1,880	\$190,000
Saint Charles	1,860	\$187,000
Hollister	1,730	\$191,000
Independence	1,600	\$108,000
Four Seasons	1,570	\$169,000

City	Total 2017 Guest Arrivals	Total 2017 Host Income
Reeds Spring	1,570	\$141,000
Kimberling City	1,490	\$142,000
Clayton	1,290	\$177,000
O'Fallon	1,190	\$117,000
Joplin	1,170	\$84,000
Cape Girardeau	1,160	\$90,000
Sunrise Beach	1,060	\$131,000
Jefferson City	1,050	\$111,000
Raytown	1,030	\$53,000
Camdenton	1,000	\$111,000
Maplewood	980	\$94,000
Kirkwood	850	\$109,000
Steelville	820	\$98,000
Saint Joseph	810	\$111,000
Hannibal	800	\$85,000



Macon County Courthouse

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U.S. Communities awards new janitorial supplies contract

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U.S. Communities announced a new contract for cleaning supplies, equipment and custodial related products, services and solutions was awarded to SupplyWorks, a Home Depot Company.

The contract was awarded through a competitive solicitation process conducted by lead public agency, Fresno Unified School District, Calif. The three-year contract started Nov. 1, 2017, with the option to extend the contract for two additional periods of one year each.

U.S. Communities is the leading national cooperative purchasing program, providing world-class government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutions, and nonprofits looking for the best overall supplier government pricing.

SupplyWorks is the leading national provider of integrated facility maintenance solutions. The company serves a wide array of customers, including offices, schools and universities, health care institutions, building service contractors, and lodging. With this contract, participating agencies of U.S. Communities have access to:

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